SLS 10RS-951 **ORIGINAL** 

Regular Session, 2010

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SENATE BILL NO. 458

BY SENATOR N. GAUTREAUX

REVENUE DEPARTMENT. Removes the requirement that all non-resident contractors with contracts over \$3,000 must register with the Department of Revenue and provide surety and a final accounting for state and local taxes and instead gives the department the discretion to require by rule such registration, surety, and accounting for contracts of more than \$50,000. (8/15/10)

AN ACT

2	To amend and reenact R.S. 47:9(A)(1), the introductory paragraph of 306(D)(1), and						
3	306(D)(3), the introductory paragraph of 337.18(C)(1), and 337.18(C)(3), relative						
4	to a nonresident prime contractor; to provide with respect to registration and bond;						
5	to provide with respect to returns and payment of taxes; to provide for an effective						
6	date; and to provide for related matters.						
7	Be it enacted by the Legislature of Louisiana:						
8	Section 1. R.S. 47:9(A)(1), the introductory paragraph of 306(D)(1), and 306(D)(3),						
9	the introductory paragraph of 337.18(C)(1), and 337.18(C)(3) are hereby amended and						
10	reenacted to read as follows:						
11	§9. Collection of taxes from nonresident contractors and subcontractors						
12	registration; bond						
13	A.(1) To the end that the state of Louisiana and the political subdivisions						
14	thereof may receive all taxes due in every instance, including contributions due						
15	under the Employment Security Law, contractors and subcontractors who are						
16	nonresidents of this state, desiring to engage in, prosecute, follow or carry on the						
17	business of contracting as defined in this Section shall register may be required to						

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1	<u>register</u> with the secretary of the Department of Revenue for each contract where the
2	total contract price or compensation to be received amounts to more than three <u>fifty</u>
3	thousand dollars <u>as provided by rule</u> . The secretary of the Department of Revenue
4	shall charge a fee for such registration in an amount of ten dollars for each such
5	contract. All such fees received by the secretary of the Department of Revenue shall
6	be deposited with the state treasurer. The state treasurer shall thereupon credit the
7	amount of said fees to the State General Fund.
8	* * *
9	§306. Returns and payment of tax; penalty for absorption
10	* * *
11	D. Registration by nonresident prime contractor. (1) Prior to commencing
12	work on any construction contract which in the aggregate exceeds three fifty
13	thousand dollars, any nonresident prime contractor, as defined in R.S. 47:9(A)(2),
14	required to be registered in accordance with the provisions of R.S. 47:9(A)(1)
15	shall:
16	* * *
17	(3) Within thirty days of the completion and acceptance of the contract
18	project, the prime contractor shall submit to the department, on a form provided or
19	approved by the department, a complete and accurate accounting of all state sales
20	and use taxes which became due as a result of the contract for all contracts
21	required to be registered in accordance with the provisions of R.S. $47:9(A)(1)$ .
	required to be registered in accordance with the provisions of R.S. 47.7(A)(1).
22	In the event that there are additional taxes due, they shall be submitted with the
22 23	
	In the event that there are additional taxes due, they shall be submitted with the
23	In the event that there are additional taxes due, they shall be submitted with the accounting.
23 24	In the event that there are additional taxes due, they shall be submitted with the accounting.  * * * *
<ul><li>23</li><li>24</li><li>25</li></ul>	In the event that there are additional taxes due, they shall be submitted with the accounting.  * * *  §337.18. Returns and payment of tax; penalty for absorption
<ul><li>23</li><li>24</li><li>25</li><li>26</li></ul>	In the event that there are additional taxes due, they shall be submitted with the accounting.  * * *  §337.18. Returns and payment of tax; penalty for absorption  * * * *

thousand dollars, any nonresident prime contractor, as defined in R.S. 47:9(A)(2),

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required to be registered in	n accor	dance v	vith the	<u>provisions</u>	of R.S.	47:9(A)(1)
shall:						
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(3) Within thirty days of the completion and acceptance of the contract project, the prime contractor shall submit to the Department of Revenue, on a form provided or approved by the department, a complete and accurate accounting of all state sales and use taxes which became due as a result of the contract <u>for all contracts required to be registered in accordance with the provisions of R.S.</u>

47:9(A)(1). In the event that there are additional local taxes due, the contractor shall submit a copy of the accounting and the additional tax due to the taxing authority.

\* \* \*

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Angela Lockett De Jean.

## DIGEST

<u>Present law</u> provides that nonresident contractors and subcontractors who engage in, prosecute, follow or carry on contracting business in this state shall register with the Department of Revenue (DOR) for each contract where the total contract price or compensation to be received exceeds \$3,000.00.

<u>Proposed law</u> provides that such nonresident contractors and subcontractors may be required to register with the (DOR) for each contract where the total contract price or compensation to be received exceeds \$50,000.00 as provided by rule.

<u>Present law</u> provides that all such fees received by the DOR shall be deposited with the state treasurer. The state treasurer shall thereupon credit the amount of the fee to the State General Fund.

<u>Proposed law</u> removes these requirement from <u>present law</u>.

Effective August 15, 2010.

(Amends R.S. 47:9(A)(1), 306(D)(1) (intro para) and 306(D)(3), and 337.18(C)(1)(intro para) and 337.18(C)(3))